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Lenzing Group builds world's largest lyocell fiber plant in Thailand

- Lenzing plans to invest more than EUR 1 bn in new lyocell fiber production facilities
- First expansion phase with 100,000 tons approved in Thailand
- State-of-the-art production plant enhances global specialty fibers footprint
- Accelerates business growth with TENCEL™ branded fibers
- Biogenic energy supply fosters low CO₂ emissions and climate protection

Lenzing – The Lenzing Group is substantially increasing its production of lyocell fibers to meet the strong demand for these products and further strengthening its position as an industry leader in specialty fibers. Over the next years, it plans to invest more than EUR 1 bn in new production facilities for lyocell fibers. The first expansion phase of this ambitious growth plan, the construction of a state-of-the art lyocell fiber production plant in Prachinburi (Thailand), has now been approved. The plant will have a capacity of 100,000 tons and feature investments of approximately EUR 400 mn.

The plant sets a new milestone in the history of lyocell fibers and will be the largest site of its kind. Site grading at Industrial Park 304 around 150 kilometers east of Bangkok has been completed successfully and the investment is fully supported by the Board of Investment (BOI) of Thailand. Construction will start this fall and production will commence towards the end of 2021.

“TENCEL™ lyocell fibers are considered a benchmark in ecologically responsible fibers. This expansion underscores Lenzing’s commitment to improve the ecological footprint of the global textile industry”, says Stefan Doboczky, Chief Executive Officer of the Lenzing Group. “This investment in Thailand represents the next consistent step in the implementation of our sCore TEN strategy and will help to further transform Lenzing into a specialty fibers company”, Doboczky adds.

Thailand has favorable trade agreements with the major Asian economic blocks. The selection of Industrial Park 304 in Prachinburi was based on its excellent overall infrastructure and the sustainable biogenic energy supply, which leads to low CO₂ emissions to protect the climate. Over the coming years Lenzing will further

expand at the site in Thailand, which has space for several plants. The investment in the first phase already includes the general infrastructure that will benefit future expansion. Lenzing will continue to look for potentially expanding lyocell production in other parts of the world as well.

“The project has received very good attention in the engineering market. Lenzing aims at implementing the project in a strategic partnership with an international engineering company also chosen for its capability to support Lenzing’s further organic growth worldwide. Integrated teams including an international and highly skilled Lenzing workforce will work together with the engineering contractor, which will be selected soon. Commissioning of the plant and start of production will take place in the second half of 2021”, says Heiko Arnold, Chief Technology Officer of the Lenzing Group.

Photo download:

<https://mediadb.lenzing.com/pinaccess/showpin.do?pinCode=vKJibye9yuYf>

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About the Lenzing Group

The Lenzing Group stands for ecologically responsible production of specialty fibers made from the renewable raw material wood. As an innovation leader, Lenzing is a partner of global textile and nonwoven manufacturers and drives many new technological developments.

The Lenzing Group's high-quality fibers form the basis for a variety of textile applications ranging from elegant ladies clothing to versatile denims and high-performance sports clothing. Due to their consistent high quality, their biodegradability and compostability Lenzing fibers are also highly suitable for hygiene products and agricultural applications.

The business model of the Lenzing Group goes far beyond that of a traditional fiber producer. Together with its customers and partners, Lenzing develops innovative products along the value chain, creating added value for consumers. The Lenzing Group strives for the efficient utilization and processing of all raw materials and offers solutions to help redirect the textile sector towards a closed-loop economy.

Key Facts & Figures Lenzing Group 2018

Revenue: EUR 2.18 bn

Nameplate capacity: 1,034,000 tons

Employees: 6,839

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